

East Bay job losses slow in November

n East Bay firms see largest drop in employment since the year of the 9/11 terrorist attacks

By George Avalos
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The East Bay has lost 23,000 jobs so far during 2008, a setback that has plunged the region into its worst year for job losses since 2001, according to a new report released Friday.

Only the 27,000-plus jobs lost in the East Bay during 2001 — the year of the 9/11 terrorist attacks — topped 2008's bleak totals for this region.

Job losses in construction, retail, manufacturing, finance and insurance services, and wholesale trade fueled the East Bay's job losses in 2008 and during November, the state Employment Development Department's monthly report indicated.

The East Bay lost 900 jobs in November, adjusted for seasonal changes, the EDD said. California lost 41,700 jobs in the same month.

"The housing sector's downturn has spread throughout the economy," said Howard Roth, chief economist with the state's Finance Department. "The retail industry accounted for 23,300 of the jobs that were lost (statewide in November). That gives you a pretty good idea of how Christmas shopping is going."

Similarly, the retail employment market was particularly weak in the East Bay, said Jon Haveman, a partner with Beacon Economics, which tracks

regional economies.

"The consumer has seized up," Haveman said. "Retail failed to create the usual number of jobs in the East Bay during November. That's because retailers thought it would be a dismal holiday shopping season. And it has been a dismal shopping season."

During November, the San Mateo-San Francisco-Marin region lost 2,400 jobs, and San Joaquin County shed 200 jobs. These numbers are adjusted for seasonal changes.

Still, some tiny rays of hope pierced the gloom that hangs over the East Bay's economic landscape.

The 900 jobs lost in the East Bay in November represented a slowing of the pace of employment reductions. The November cutbacks were well below the average loss of 2,100 jobs a month over the first 11 months of 2008 in the East Bay.

Over the one-year period that ended in November, the East Bay lost 22,500 jobs. That represented one out of every six of the 136,000 jobs that vanished in California between November 2007 and November 2008.

"The East Bay has been hit particularly hard," said Justin Wehner, an EDD labor market consultant.

Employers have shed jobs in the East Bay at a much greater pace than what has occurred in California. Over the most recent 12 months, the East Bay job base shrank 2.1 percent. California's job base decreased by 0.9 percent.

"So far in the recession, the East Bay has been feeling all the pain," said Jeffrey Michael, director of the Stockton-based Business Forecasting Center at University of the Pacific. "The Bay Area job losses are

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almost all concentrated in the East Bay."

During the last 12 months, the Bay Area has lost 31,200 jobs. The East Bay accounted for 72 percent of all the jobs lost in the nine-county region in the last year. That is a stunning reversal from recent years, when the East Bay was the employment engine of the Bay Area economy, sometimes producing more than half the jobs the Bay Area.

The East Bay, though, may soon have plenty of company in its misery.

"That pain is going to move south in the coming months," Michael said. We will see more job losses in Silicon Valley."

Even worse, the employment downturn in California could be of historic proportions, warned one economist, Stephen Levy, director of the Center for Continuing Study of the California Economy.

"California is following the nation into the longest and deepest national recession since the 1980s and, possibly, since the Great Depression," Levy said.

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